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The Director of Central Intelligence

Washington, D.C. 20505

Resource Management Staff

DCI/ICS 78-1201

18 October 1978

MEMORANDUM FOR: Mr. J. Foster Collins  
Special Assistant to the Secretary (National Security)  
Department of the Treasury

FROM:   
Acting Director, Policy Guidance Office

SUBJECT: Input to the DCI's Annual Report ☐

1. ☐ Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users, and the Congress.

2. ☐ Treasury input would be welcome on any of the outline topics. We identify at least two topics of particular Treasury interest and expertise, however: world petroleum supply under substantive issues in Part I (section B.4.) and quality of analysis and policy support among the Part II issues of special concern.

3. ☐ Our criterion for selecting the handfull of substantive issues has been those important policy related matters on which there has been substantial need for new intelligence analysis or altered analytical emphasis. We already have your thoughts on intensifying and changing energy intelligence needs, and the intelligence community's ability to respond to these, from Treasury's (primary user) perspective included in your working paper assessment on economic intelligence for the PRC(I) Working Group, and your response to a recent RM data call on energy intelligence. Should you wish to make an additional summary comment we would welcome that.

4. ☐ Parts of the Treasury input to the PRC(I) Working Group and the energy intelligence study would presumably also apply to Treasury's view of the quality of analysis and policy support. But you may wish to tailor a

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brief overview perspective for our reference in putting together the Annual Report, and we do request your thoughts on at least two additional aspects of this issue:

a. What have you found to be the most useful ways to stay in touch with key Treasury users' economic intelligence needs, to elicit support from the intelligence community, and to communicate economic intelligence back to your key consumers? Has 1978 experience suggested any useful refinements to your experience?

b. What are your views on the appropriateness of the current collection-production balance in the overall intelligence effort, particularly in the field of economic intelligence?

25X1 3. ☐ is responsible for producing this year's DCI Annual Report. Please identify a principal point of contact for her to work with. We shall need your comments by COB 1 November, in order to accomplish integrated drafting of the entire Annual Report in November, review in December, and DCI clearance and production in January.

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Attachments:

1. DCI Revised Outline - AR for 1978
2. DCI letter to NFIB principals requesting help on Annual Report

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